

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS  
(EUROPEAN DISTRIBUTION) LIMITED

FINANCIAL STATEMENTS

31 DECEMBER 2004

Company Registration Number : 1119344



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COMPANIES HOUSE 04/01/2006

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS  
(EUROPEAN DISTRIBUTION) LIMITED

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Year ended 31 December 2004

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THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS  
(EUROPEAN DISTRIBUTION) LIMITED

DIRECTORS AND OFFICERS

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DIRECTORS

T Spallino  
P Berkhahn  
C Jolliffe

SECRETARY

C Jolliffe

COMPANY NUMBER

1119344 (England and Wales)

REGISTERED OFFICE

751 Warwick Road  
Solihull  
West Midlands B91 3DQ

AUDITORS

PricewaterhouseCoopers LLP  
Cornwall Court  
19 Cornwall Street  
Birmingham  
B3 2DT

BANKERS

HSBC  
34 Poplar Road  
Solihull  
B91 3AF

Bank of America  
26, Elmfield Road  
Bromley  
Kent  
BR1 1WA

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS  
(EUROPEAN DISTRIBUTION) LIMITED

DIRECTORS' REPORT

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The directors submit their report and the financial statements of The Church of Jesus Christ of Latter-day Saints (European Distribution) Limited for the year ended 31 December 2004.

LEGAL AND ADMINISTRATIVE INFORMATION

The Church of Jesus Christ of Latter-day Saints (European Distribution) Limited is a private limited company.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activities of the company during 2004 was the retailing of clothing, CD's, curriculum and magazines, operating cafeterias, provision of accommodation for patrons and other activities on behalf of The Church of Jesus Christ of Latter-day Saints in the United Kingdom and Ireland from locations in the United Kingdom. There are no EDL centres in Ireland.

The German Branch engages in the same activites as the UK Head Office serving customers in mainland Europe.

Effective 1 January 2004 the company's European operations were expanded with the acquisition of retail outlets in Sweden and Denmark. The Sweden and Denmark branch engage in the same activites as the UK Head Office serving customers in their respective countries.

RESULTS

The loss of the company for the year was £1,106,217 (2003: Loss of £1,763,632)

The directors do not recommend the payment of a dividend, which leaves an accumulated deficit of £4,477,647 (2003: £3,371,430) to be carried forward .

Assurances of continued financial support have been received from the Corporation of the President of The Church of Jesus Christ of Latter-day Saints and the Corporation of the Presiding Bishop.

POST BALANCE SHEET EVENTS

As of 31 March 2005 the company became wholly owned by The Corporation of the Presiding Bishop of The Church of Jesus Christ of Latter-day Saints incorporated in the state of Utah, United States of America. Prior to this change in ownership the company was jointly owned by The Corporation of the President of The Church of Jesus Christ of Latter-day Saints and The Corporation of the Presiding Bishop of The Church of Jesus Christ of Latter-day Saints both of which are incorporated in the state of Utah, United States of America.

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS  
(EUROPEAN DISTRIBUTION) LIMITED

DIRECTORS' REPORT

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DIRECTORS AND THEIR INTERESTS

The directors who served during the year were:-

A K Broadway (retired 15 August 2005)  
G Drago (retired 15 August 2005)  
J Teixeira da Silva (retired 15 August 2005)  
P Berkhahn (appointed 15 August 2005)  
T Spallino (appointed 15 August 2005)  
C Jolliffe (appointed 15 August 2005)

DIRECTORS' INTERESTS IN SHARES

None of the directors had, at any time during the year, a beneficial interest in the share capital of the company.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors' to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. The directors are required to prepare the financial statements on going concern basis, unless it is inappropriate to presume that the company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 December 2004 and that applicable accounting standards have been followed.

The directors' are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the requirements of the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

By order of the board

C Jolliffe  
Secretary  
5 December 2005

**AUDITORS' REPORT TO THE MEMBERS OF THE CHURCH OF JESUS CHRIST  
OF LATTER-DAY SAINTS (EUROPEAN DISTRIBUTION) LIMITED**

for the year ended 31st December 2004

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**Independent auditors' report to the members of The Church of Jesus Christ of  
Latter-day Saints (European Distribution) Limited**

We have audited the financial statements which comprise the profit and loss account, the balance sheet, the cash flow statement and related notes.

**Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or in to whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view, and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all of the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

**Basis of audit opinion**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

AUDITORS' REPORT TO THE MEMBERS OF THE CHURCH OF JESUS CHRIST  
(EUROPEAN DISTRIBUTION) LIMITED

for the year ended 31st December 2004

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**Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 December 2004 and its loss and cash flows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*PricewaterhouseCoopers LLP*

PricewaterhouseCoopers LLP  
Cornwall Court  
19 Cornwall Street  
Birmingham  
B3 2DT

*13 December 2005*

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS  
(EUROPEAN DISTRIBUTION) LIMITED

PROFIT AND LOSS ACCOUNT  
for the year ended 31st December 2004

	Notes	2004 £	2003 £
TURNOVER	1	6,419,471	4,397,157
Cost of Sales		(4,750,609)	(3,105,652)
GROSS PROFIT		1,668,862	1,291,505
Administrative Expenses	2	(2,775,079)	(3,055,140)
OPERATING LOSS		(1,106,217)	(1,763,635)
Interest Receivable		-	3
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	3	(1,106,217)	(1,763,632)
Taxation	6	-	-
LOSS FOR THE YEAR	14	(1,106,217)	(1,763,632)

The loss for the year arises from the company's continuing operations.

No separate statement of Total Recognized Gains and Losses has been presented as all such gains and losses have been dealt with in the profit and loss account.

The notes on pages 9 to 17 form part of these financial statements.

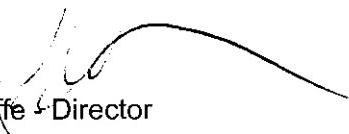
THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS  
(EUROPEAN DISTRIBUTION) LIMITED

BALANCE SHEET  
as at 31st December 2004

	Notes	2004 £	2003 £
<b>FIXED ASSETS</b>			
Tangible assets	7	<u>323,429</u>	<u>295,597</u>
<b>CURRENT ASSETS</b>			
Stock	8	7,621,675	7,249,420
Debtors	9	327,183	92,735
Cash at bank and in hand		<u>157,626</u>	<u>171,435</u>
		8,106,484	7,513,590
<b>CREDITORS</b>			
Amounts falling due within one year	10	<u>(734,873)</u>	<u>(440,985)</u>
<b>NET CURRENT ASSETS</b>		<u>7,371,611</u>	<u>7,072,605</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		7,695,040	7,368,202
<b>CREDITORS</b>			
Amounts falling due after more than one year	11	<u>(12,172,587)</u>	<u>(10,739,532)</u>
<b>NET LIABILITIES</b>		<u>(4,477,547)</u>	<u>(3,371,330)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	13	100	100
Accumulated deficit	14	<u>(4,477,647)</u>	<u>(3,371,430)</u>
<b>EQUITY SHAREHOLDERS' FUNDS</b>		<u>(4,477,547)</u>	<u>(3,371,330)</u>

Approved by the board on 5 December 2005  
and signed on their behalf

C Jolliffe Director



THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS  
(EUROPEAN DISTRIBUTION) LIMITED

CASH FLOW STATEMENT  
for the year ended 31 December 2004

	2004 £	2003 £
Reconciliation of operating deficit to net cash outflow from operating activities		
Operating deficit	(1,106,217)	(1,763,635)
Depreciation	57,292	63,911
Loss on disposal of fixed assets	6,639	-
Increase in stock	(276,274)	(2,072,778)
Increase in debtors	(234,448)	(92,544)
Increase/(decrease) in creditors	293,888	(67,989)
 Net cash outflow from operating activities	 <u>(1,259,120)</u>	 <u>(3,933,035)</u>
	2004 £	2003 £
Net cash outflow from operating activities	(1,259,120)	(3,933,035)
Returns on investments and servicing of finance	-	3
Capital expenditure:		
Purchase of tangible fixed assets	(72,084)	(22,030)
Sale of tangible fixed assets	167	-
Financing:		
Receipts from parent company	1,433,055	8,998,404
Acquisitions		
Purchase of German Branch	-	(4,894,888)
Purchase of Swedish Branch	(77,369)	-
Purchase of Danish Branch	(38,458)	-
 Increase/(Decrease) in cash	 <u>(13,809)</u>	 <u>148,454</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	Notes	2004 £	2,003 £
Increase (Decrease) in cash in the period		(13,809)	148,454
Net funds at 1 January 2004		171,435	22,981
Net funds at 31 December 2004	17	<u>157,626</u>	<u>171,435</u>

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS  
(EUROPEAN DISTRIBUTION) LIMITED

ACCOUNTING POLICIES  
for the year ended 31 December 2004

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**BASIS OF ACCOUNTING**

These financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently is set out below.

**GOING CONCERN**

The ultimate parent company's has undertaken to continue its financial support of the company to the extent of, and as long as there exists a deficiency of shareholders' funds, and for at least the next twelve months from the approval of the financial statements.

**CONSOLIDATION OF GERMAN, SWEDISH AND DANISH BRANCH**

For the purpose of reporting in these financial statements the profit and loss accounts, cash flows and balance sheets of the German, Swedish & Danish branches have been consolidated with those of the Head office operations which cover the UK and Ireland.

**TURNOVER**

Turnover represents the invoiced value, net of Value Added Tax, of goods sold and services provided to customers.

**FIXED ASSETS AND DEPRECIATION**

Tangible fixed assets are shown at original purchase cost less accumulated depreciation.

Depreciation is provided on all tangible fixed assets at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows:-

Motor Vehicles	25%
Plant and Equipment	10%
Furnishings	10%

**OPERATING LEASES**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities on a straight line basis over the lease term.

**FOREIGN CURRENCY TRANSLATIONS**

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date and non monetary assets and liabilities at historical rates. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account in the year in which they arise.

**PENSION CONTRIBUTIONS**

The Head office is a member of a multi-employer Deseret UK Benefit Plan that is of a defined benefit type and retirement benefits are payable through a separately funded UK pension scheme. The company has taken advantage of the transitional rules of FRS 17, Retirement Benefits. As the company is unable to identify its share of the underlying assets and liabilities of the scheme it is accounted for as a defined contribution scheme.

The Company participates in a multi-employer defined benefit scheme for its German branch which was acquired on 1 January 2003. The company is unable to identify its share of the German scheme's assets and liabilities and has taken advantage of the transitional rules of the FRS 17, Retirement Benefits. The company is responsible for pensionable commitments from the acquisition date and contributions to the pension scheme are charged to the profit and loss account in the year in which they are payable. Prior pension-able commitments remain with Kirche Jesu Christi der Heiligen der Letzten Tage, an Association established under German law who are obliged to fund any resulting deficiency. Accordingly the scheme is accounted for as a defined contribution scheme.

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS  
(EUROPEAN DISTRIBUTION) LIMITED

ACCOUNTING POLICIES  
for the year ended 31 December 2004

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**PENSION CONTRIBUTIONS (CONTINUED)**

The Company participates in a defined contribution scheme for its Swedish branch. The Company has accounted for pensionable commitments from the acquisition date and contributions to the pension scheme are charged to the profit and loss account in the year in which they are payable.

None of the employees in the Danish Branch are members of a company pension scheme.

**STOCKS**

Stocks are valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal. Provision is made for obsolete and slow-moving items.

**DEFERRED TAXATION**

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred at the balance sheet date. Deferred tax assets are only recognised when it is considered more likely than not that there will be suitable taxable profits from which the future reversal of any underlying timing differences can be deducted. Timing differences arise between the company's taxable profit and its results as stated in the financial statements. Deferred tax is measured at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse. Deferred tax is measured on an undiscounted basis.

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS  
(EUROPEAN DISTRIBUTION) LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 December 2004

**1 TURNOVER**

	2004	2003
	£	£
Analysed by geographic area		
United Kingdom and Republic of Ireland	1,768,295	1,730,856
Germany	4,434,116	2,666,301
Sweden	192,970	-
Denmark	24,090	-
	<hr/>	<hr/>
	<b>6,419,471</b>	<b>4,397,157</b>

Turnover comprises sales of religious, educational and administrative materials.

**2 OTHER OPERATING EXPENSES**

	2004	2003
	£	£
Distribution costs	938,552	634,630
Administration expenses	<hr/>	<hr/>
	1,836,527	2,420,510
	<hr/>	<hr/>
	<b>2,775,079</b>	<b>3,055,140</b>

**3 LOSS ON ORDINARY ACTIVITIES BEFORE  
TAXATION**

	2004	2003
	£	£
This is stated after charging/(crediting):		
Auditors' remuneration	26,407	19,462
Depreciation on owned assets	57,292	63,911
Loss on sale of fixed assets	6,639	-
Operating lease - land and buildings	<hr/>	<hr/>
	245,869	230,509

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS  
(EUROPEAN DISTRIBUTION) LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 December 2004

4 STAFF COSTS

Staff costs, including directors' remuneration, were as follows:-

	2004 £	2003 £
Wages and salaries	1,355,925	1,135,216
Social security costs	197,172	165,215
Pension & other benefits	<u>161,354</u>	<u>144,159</u>
	<u>1,714,451</u>	<u>1,444,590</u>

The average monthly number of employees, including directors, during the year was as follows:

	2004 No.	2003 No.
Office and management	26	24
Other	<u>36</u>	<u>32</u>
	<u>62</u>	<u>56</u>

5 DIRECTORS REMUNERATION

	2004 £	2003 £
Emoluments	<u>67,371</u>	<u>72,401</u>
Contributions paid by the company to its pension schemes in respect of directors	<u>12,330</u>	<u>9,599</u>

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS  
(EUROPEAN DISTRIBUTION) LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 December 2004

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**6 TAX ON LOSS ON ORDINARY ACTIVITIES**

There was no tax arising for the period due to taxable losses arising during the period. There is an unrecognised deferred tax asset arising in connection with these losses and other timing differences of £1,337,294 (2003: £1,005,429).

	2004	2003
	£	£
(Loss)/profit on ordinary activities	<u>(1,106,217)</u>	<u>(1,763,632)</u>
(Loss)/profit on ordinary activities multiplied by the standard rate of Corporation tax in the UK of 30% (2003: 30%)	<u>(331,865)</u>	<u>(529,090)</u>
Effect of:		
Accelerated capital allowances/other timing differences	<u>331,865</u>	<u>529,090</u>
Tax (credit)/charge	<u>-</u>	<u>-</u>

**7 TANGIBLE FIXED ASSETS**

	Fixtures & Fittings £	Plant & Machinery £	Motor Vehicles £	Total £
Cost:				
1 January 2004	61,356	336,362	11,359	409,077
Acquired Branches	-	19,846	-	19,846
Additions	-	72,084	-	72,084
Disposals	-	<u>(9,337)</u>	-	<u>(9,337)</u>
31 December 2004	<u>61,356</u>	<u>418,955</u>	<u>11,359</u>	<u>491,670</u>
Depreciation				
1 January 2004	34,151	73,650	5,679	113,480
Charge for Year	6,323	48,129	2,840	57,292
Disposals	-	<u>(2,531)</u>	-	<u>(2,531)</u>
31 December 2004	<u>40,474</u>	<u>119,248</u>	<u>8,519</u>	<u>168,241</u>
Net book value:				
31 December 2004	<u>20,882</u>	<u>299,707</u>	<u>2,840</u>	<u>323,429</u>
31 December 2003	<u>27,205</u>	<u>262,712</u>	<u>5,680</u>	<u>295,597</u>

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS  
(EUROPEAN DISTRIBUTION) LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 December 2004

8 STOCK

	2004 £	2003 £
Finished goods and goods for resale	<u>7,621,675</u>	<u>7,249,420</u>

9 DEBTORS

	2004 £	2003 £
Trade debtors	2,137	75,013
Other debtors	<u>325,046</u>	<u>17,722</u>
	<u>327,183</u>	<u>92,735</u>

10 CREDITORS: Amounts falling due within one year

	2004 £	2003 £
Social security and other taxes	95,663	75,982
Accruals and deferred income	<u>639,210</u>	<u>365,003</u>
	<u>734,873</u>	<u>440,985</u>

11 CREDITORS: Amount falling due in more than one year

	2004 £	2003 £
Loan from ultimate holding company	<u>12,172,587</u>	<u>10,739,532</u>

This is a loan from The Corporation of the President of The Church of Jesus Christ of Latter-day Saints which is subordinated to the claims of all other creditors. The loan is interest free and there are no repayment terms.

12 FINANCIAL COMMITMENTS

At 31 December 2004 the company had annual commitments under non-cancellable operating leases as set out below:

	Land and buildings	
	2004 £	2003 £
Operating lease expiring after 5 years	<u>247,813</u>	<u>237,462</u>

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS  
(EUROPEAN DISTRIBUTION) LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 December 2004

	2004	2003
<b>13 SHARE CAPITAL</b>		
Authorised:		
25,000,000 ordinary shares of £1 each	<u>25,000,000</u>	<u>25,000,000</u>
Allotted, issued and fully paid	£	£
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
<b>14 ACCUMULATED DEFICIT</b>	<b>2004</b>	<b>2003</b>
	£	£
Balance at 1 January 2004	(3,371,430)	(1,607,798)
Loss for the financial year	<u>(1,106,217)</u>	<u>(1,763,632)</u>
Balance at 31 December 2004	<u>(4,477,647)</u>	<u>(3,371,430)</u>
<b>15 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS</b>	<b>2004</b>	<b>2003</b>
	£	£
Opening shareholders' funds	(3,371,330)	(1,607,698)
Loss for the financial year	<u>(1,106,217)</u>	<u>(1,763,632)</u>
Closing shareholders' funds	<u>(4,477,547)</u>	<u>(3,371,330)</u>

Shareholders' funds relate entirely to equity interests.

**16 ULTIMATE HOLDING COMPANY**

As of 31 March 2005 the company is wholly owned by the Corporation of The Presiding Bishop of The Church of Jesus Christ of Latter-day Saints (CPB) incorporated in the state of Utah, United States of America. Prior to this change in ownership the company was jointly owned by the Corporation of the President of The Church of Jesus Christ of Latter-day Saints and the Corporation of The Presiding Bishop of The Church of Jesus Christ of Latter-day Saints both of which are incorporated in the state of Utah, United States of America.

CPB have confirmed their continued financial support to the extent and as long as there exist a deficiency of shareholders' funds.

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS  
(EUROPEAN DISTRIBUTION) LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 December 2004

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17 NOTES TO THE CASH FLOW STATEMENT

Analysis of changes in net funds

	At 1 January 2004	Cash Flow	Non cash Movement	At 31 December 2004
	£	£	£	£
Cash at bank and in hand	171,435	(13,817)	8	157,626

18 RELATED PARTY TRANSACTIONS

During the year the company purchased religious, educational and administrative materials totalling £907,977 (2003 £789,541) from The Corporation of the President of The Church of Jesus Christ of Latter-day Saints.

Included in turnover are sales totalling £413,596 (2003 £170,560) to The Church of Jesus Christ of Latter-day Saints (Great Britain), a fellow subsidiary undertaking.

Included in turnover are sales totalling £1,602,535 (2003 £1,002,534) to the Kirche Jesu Christi der Heiligen der Letzten Tage, Körperschaft (German Church)

Included in turnover are sales totalling £137,771 to the Jesu Kristi Kyrka av Sista Dagars Heliga (Sweden Church)

Included in turnover are sales totalling £93,811 to the Jesu Kristi Kirke af Sidste Dages Hellige i Denmark (Denmark Church)

The company undertakes its principal activities from the temples in London, Preston, Friedrichsdorf, Freiberg, Copenhagen and Stockholm and the distribution warehouses in Birmingham and Bad Homburg . The London Temple and the Distribution warehouse are owned by The Church of Jesus Christ of Latter-day saints (Great Britain) a fellow subsidiary undertaking, and no rent is charged by it to the company.

The Preston Temple is owned by The Church of Jesus Christ of Latter-day Saints (Welfare) Limited, a fellow subsidiary undertaking and a charge of £10,000 per annum is charged for the rental of the commercial space occupied at this site.

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS  
(EUROPEAN DISTRIBUTION) LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 December 2004

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18 PENSION AND OTHER POST EMPLOYMENT COMMITMENTS

The Head Office participates in the Deseret UK Benefits Plan. This is a funded defined benefit multi-employer scheme in the United Kingdom. The company is unable to identify its share of the underlying assets and liabilities of the scheme.

A full actuarial valuation was carried out at 31 December 2003 and updated to 31 December 2004 by a qualified independent actuary. The major assumptions used by the actuary were (in nominal terms):

	31 December 2004	31 December 2003	31 December 2002
Rate of increase in salaries	4.40%	4.30%	3.90%
Rate of increase of pensions in payment	2.90%	2.80%	2.40%
Discount rate	5.30%	5.40%	5.50%
Inflation	2.90%	2.80%	2.40%

The assets of Deseret UK Benefit Plans and the expected rate of return were :-

	At 31 December 2004 £million	At 31 December 2003 Return	At 31 December 2002 Return
Equities	13.7	7.00%	7.00%
Bonds and Cash	2.28	4.80%	4.75%
Property	0.37	5.30%	5.40%
Total market value of assets	16.35		
Actuarial value of liabilities	(27.01)		
Deficit in the scheme	(10.66)		

The charge for pension costs in 2004 was £46,645 (2003:£47,368)

The Company also participates in another defined benefit scheme for its German branch. The company is unable to identify its share of the German scheme's assets and liabilities. The Company is responsible for pensionable commitments from the acquisition date and contributions to the pension scheme are charged to the profit and loss account in the year in which they are payable. Prior pensionable commitments remain with Kirche Jesu Christi der Heiligen der Letzten Tage, an Association established under German law who are obliged to fund any resulting deficiency. The company is not legally responsible for the past pensionable commitments

The charge for German Branch pension costs in 2004 was £88,577 (2003; £96,791)

The Company participates in a defined contribution scheme for its Swedish branch. The charge for Swedish Branch pension costs in 2004 was £1,005. None of the employees in the Danish Branch are members of a company pension scheme.